

2/15/11
SJ5



Outline

Devon Energy Corporation

Devon's Natural Gas STAR Experience

- Getting started
- Keeping up the momentum
- Specific reductions
- Fort Worth Basin success story

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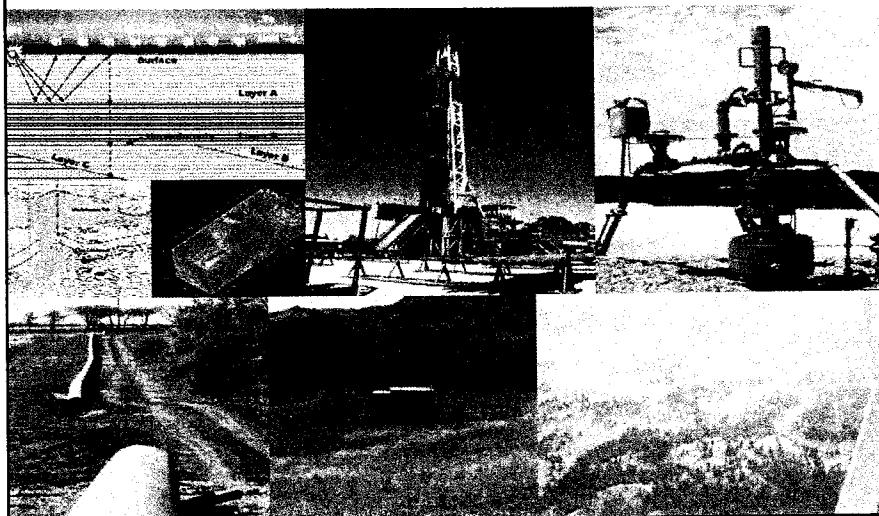
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MATERIALS PROVIDED BY
KODAK ROCK ENVIRONMENTAL INC.
1400 CLARKSBURG ROAD
P. O. BOX 1457
MELLENA, MONTANA 59641

Exploration and Production in Montana



Devon's Montana Presence

Proved reserves:	≈ 102 BCFE
Production:	≈ 31 MMCFED
Net acreage:	> 1.5 million
Number of counties with Devon leases:	32 (concentrated operations in 6)
Capital expenditures:	≈ \$27 million in 2008 ≈ \$13 million in 2009
Taxes Paid:	≈ \$12 million in 2008
Goods/services:	≈ 2 million in 2008
Drilling activity:	57 wells in 2008 and 1 well in 2009
# of Employees:	≈ 50

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Focus

Primary focus for a successful program:

- Encouragement and support from upper management
- Select the right implementation manager
- Roll the program out to operations
- Educate the field on the goals of the program
- Recognize successes
- Research historical reductions
- Locate documentation for reductions
- Develop a tracking system

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Program Participation - 2004

- Devon actively participated in a video shoot in the Bridgeport area showing Devon's involvement in the STAR Program (produced by a public TV station)
 - 6-minute version for airing during environmentally related segments
 - 12-minute version to be used by the STAR Program to promote the Program to other companies
- Participated in an interview for the "STAR Profile" section of the Program's fall edition of the STAR quarterly newsletter.

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Program Participation - 2004

- Co-authored a SPE paper on the optimization of separator pressure to reduce methane emissions.
- Paper was presented at the annual SPE conference held in Galveston, Texas.
- Authored with the intent of creating a H2O Fact Sheet for the STAR Program

EPA named Devon
Natural Gas STAR “Rookie of
the Year”

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Program Participation - 2005

- Sponsored and co-sponsored EPA Natural Gas STAR Technology Workshops Oklahoma City and Casper
- Participated in a leak detection survey at the Bridgeport Plant (USEPA Natural Gas STAR D18M Grant)
- Highlighted the STAR program as a pollution prevention initiative at an Environmental Federation of Oklahoma Pollution Prevention Workshop
- Developed a database to track future methane reduction activities
 - Database to be given to EPA for other Partners use upon completion

EPA named Devon
Natural Gas STAR 2005 “Production
Partner of the Year”

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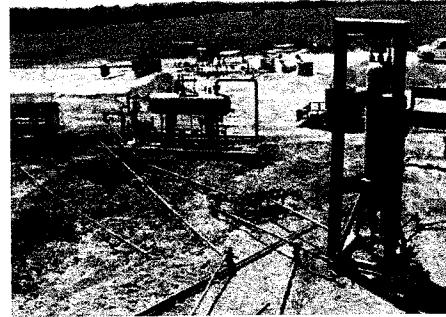
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STAR Program BMP's

BMP 3: Partner Reported Opportunities (PRO's)

- Reduced Emission Completions (REC's) - 30.32 Bcf
- Absolute Open Flow (AOF) Testing - 943 Mmcf



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Summary of Devon's Emission Reductions

- Overall Reductions - 41.66 Bcf (through 2008)
 - Low Bleed Pneumatics 4.36 Bcf (-10%)
 - Reduced Emission Completions 30.32 Bcf (-73%)
 - AOF Testing 943 Mmcf (-2%)
 - VRU's 2.09 Bcf (-5%)
 - Dehy Controls 95.49 Mmcf
 - Plunger Lift Systems 2.41 Bcf (-6%)
 - Flared Volumes 1.32 Bcf (-3%)
- Overall savings of approximately \$125,000,000 since 1990 (assuming an average of \$3/mcf gas price)

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FWB Reduced Emission Completions (RECs)

- Previous procedure upon completion of the frac job
- Flow well back to frac tanks until clean up is completed
- Snub tubing in the hole while venting gas back to reduce the pressure on the well
- Run required tests to atmospheric to calculate the absolute open flow potential

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FWB RECs

- Current procedure upon completion of the frac job
- Install temporary flowline and meter run on location during completion process
- Flow well back to frac tanks until gas is encountered



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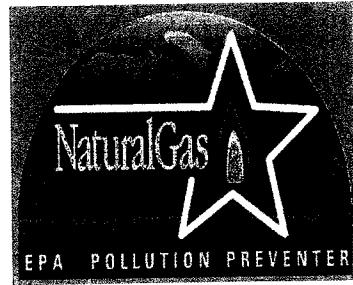
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Success Breeds Success

- Measuring and reporting results in competition
 - Everyone benefits!
- Due to the success of the PWR RECs other areas also use the technology
 - Washakie Basin of Wyoming and the San Juan Basin in New Mexico



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Thank You.

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